

# **ALDORT DECLARATION**

## **EXHIBIT 2**

RENEW/REPLACE CERTIFICATE NO.

CERTIFICATE NUMBER

CERTIFICATE OF FACULTATIVE REINSURANCE  
ISSUED BY.

CFR 0062



- ☐ UNITED STATES FIRE INSURANCE COMPANY  
☐ THE NORTH RIVER INSURANCE COMPANY  
☐ WESTCHESTER FIRE INSURANCE COMPANY  
☒ INTERNATIONAL INSURANCE COMPANY

CRUM &amp; FORSTER INSURANCE COMPANIES

NEW YORK, NEW YORK ■ ADMINISTRATIVE OFFICES: MORRISTOWN, N.J.

REINSURED COMPANY:  
 AIU INSURANCE COMPANY  
 c/o JOHNSON & HIGGINS OF NEW YORK  
 95 WALL STREET  
 NEW YORK, NEW YORK 10038

• ACCOUNT  
 FOSTER WHEELER CORPORATION  
 • 110 SO. ORANGE AVENUE  
 • LIVINGSTON, NEW JERSEY 07039

MAIL  
 APR 24 1979

EFFECTIVE FROM ☒ 12:01 AM ☐ NOON BOTH DAYS AT STANDARD TIME 10/1/78 TO 10/1/79

## DETAILS OF REINSURED COMPANY'S POLICY.

POLICY NO.: 75-100789 PERIOD. 10/1/78-79

ITEM 1 TYPE OF INSURANCE	ITEM 2 POLICY LIMITS & APPLICATION	ITEM 3 COMPANY RETENTION	ITEM 4 REINSURANCE ACCEPTED	ITEM 5 BASIS OF ACCEPTANCE
UMBRELLA LIABILITY	\$20,000,000. SINGLE LIMIT ANY ONE OCCURRENCE AND IN THE AGGREGATE EXCESS PRIMARIES OR SELF INSURED RETENTION	VARIOUS	\$3,000,000. PART OF \$5,000,000. ANY ONE OCCURRENCE AND IN THE AGGREGATE EXCESS OF VARIOUS PRIMARIES OR SELF INSURED RETENTION	QUOTE SHARE

THE PREMIUM FOR THIS CERTIFICATE SHALL BE ☐ GROSS \$ ☐ FIXED CHARGE  
☒ NET \$ 152,520.00 ☒ DEPOSIT PREMIUM

PREMIUM BASE EST. EXPOSURE RATE EST. PREMIUM FOR CERTIFICATE PERIOD.  
 RECEIPTS \$1,000,000. \$.30 (LAYER) \$  
 PER \$1000.

MINIMUM PREMIUM FOR CERTIFICATE \$ 152,520.00 MINIMUM PREMIUM FOR REINSURANCE PERIOD \$ 152,520.00

CEDING COMMISSION NIL

This insurance is made and accepted subject to all the provisions set forth herein or endorsed hereon or appearing on the reverse side hereof, all of which are incorporated herein, and any provisions appearing in forms attached hereto and made a part hereof which after the provisions herein shall supersede such provisions as they are inconsistent therewith.

DATED: 4/19/79 md

TIG 001156

SIGNED AT: \_\_\_\_\_

by: \_\_\_\_\_

AUTHORIZED SIGNATURE

COMPANY COPY

6/8/82 ml

Additional Premium \_\_\_\_\_

Return Premium \_\_\_\_\_

Effective on and after 1st October 19 78 00.01 a.m. Local Standard Time

this endorsement forms part of policy No. CFR0062 Expiration Date 1st October, 1980

Issued to Foster Wheeler Corporation

By International Insurance Company

It is hereby understood and agreed that the following entities are deleted from the Schedule of Underlying Insurances:-

- |  |                               |
|--|-------------------------------|
| 1. Control Applications Inc.                 | effective 1st January, 1979   |
| 2. Raygo Inc.                                | effective 1st February, 1980  |
| 3. Tenneco Systems Inc.                      | effective 15th February, 1980 |
| 4. Industrial Inspection Industries Inc.     | effective 29th April, 1980    |
| 5. Foster Wheeler Management Operations Ltd. | effective 2nd July, 1980      |

It is further understood and agreed with effect from 1st June, 1979 this Policy shall cease to apply in respect of Foster Wheeler Boiler Corporation but it is noted that the scheduled primary policies shall continue to apply in respect of the aforesaid entity.

It is further understood and agreed that in respect of the foregoing that coverage hereon is amended as follows:

"In consideration of a return premium of one (1) Dollar, it is hereby agreed that Industrial Inspection Industries Inc., Foster Wheeler Management Operations Ltd., Raygo Inc., Tenneco Systems Inc., Control Applications Inc., and Foster Wheeler Boiler Corporation shall not be either Named Assured or Assureds under this policy.

However, it is also agreed that this endorsement does not exclude coverage for the liability of the other Named Assureds or Assureds which may arise out of, or result directly or indirectly from, the operations or activities of these entities.

All other terms and conditions of this policy remain unchanged

\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

TIG 001157

**CRUM & FORSTER**  
**INSURANCE COMPANIES**  
**THE POLICY MAKERS**

ENDORSEMENT # 3

**MAILED**  
**JUN 29 1981**

Additional Premium \_\_\_\_\_

Return Premium \_\_\_\_\_

Effective on and after 1st October 19 78 00.01 a.m. Standard Time

this endorsement forms part of policy No. CFR0062 Expiration Date 1st October 1981

Issued to Foster Wheeler Corporation

By International Insurance Company

Effective inception it is understood and agreed that the annual review is amended to read as follows:-

It is understood and agreed that this policy is subject to:

- a) Immediate advice by the Assured to Dick Seybold of Mendes & Mount of all suits or demands in excess of Primary Limits or in the absence of any Primary Policy in excess of Self Insured Retention hereon.
- b) Annual review by Mendes & Mount of any impairment of All Primary Aggregate Policies which review is to be submitted to the Company within 45 days after each anniversary.

All other terms and conditions of this policy remain unchanged.

\_\_\_\_\_  
 AUTHORIZED REPRESENTATIVE

FM.O.O.193 (8-67)

**TIG 001158**

**CRUM & FORSTER**  
**INSURANCE COMPANIES**  
**THE POLICY MAKERS**

Document 45-3  
ENDORSEMENT #2

Filed 05/28/2008  
4/3/80sc

Page 5 of 11

Additional Premium \_\_\_\_\_

Return Premium \$35,727.82

Effective on and after OCTOBER 1, 19 79 12:01 A.M. Standard Time

this endorsement forms part of policy No. CFR 0062 Expiration Date \_\_\_\_\_

Issued to R/I A.I.U. INS. CO. A/C FOSTER WHEELER CORP.

By INTERNATIONAL INSURANCE Company

IT IS HEREBY UNDERSTOOD AND AGREED THE AUDIT ADJUSTMENT FOR THE TERM OCTOBER 1, 1978 - 79 IS CORRECTED AS FOLLOWS:

<u>RECEIPTS</u>	<u>RATE</u>	<u>EARNED</u>
\$979,982,696.	\$.30	\$293,995.
	HEREON 60%	\$176,397.
	LESS 18% CEDE COMM.	\$144,645.
	MINIMUM PREM.	\$152,520. APPLIES
	LESS PREVIOUSLY BILLED	\$188,285.
	RETURN PREMIUM	(\$35,765.)

<u>RECEIPTS U.K.</u>	<u>RATE</u>	<u>EARNED</u>
\$213,040,506.	\$.30	\$63,912.
	HEREON 60%	\$38,347.
	LESS 18% CEDE COMM.	\$31,445.
	LESS PREVIOUSLY BILLED	\$31,407.
	ADDITIONAL PREM.	\$37.18

TOTAL DUE THIS ENDORSEMENT (\$35,727.82)

All other terms and conditions of this policy remain unchanged.

\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

2-11-80 DF

## AUDIT ADJUSTMENT ENDORSEMENT

CLASSIFICATION	AMOUNT	RATE	EARNED PREMIUM
RECEIPTS	1,275,647,000	.30	\$382,694.00
RECEIPTS - U. K.	212,785,000	.30	63,835.00
		HEREON	\$446,529.00
		LESS 8% CEDING COMMISSION	\$267,917.00
			TOTAL \$ 219,691.00

PERIOD OF ADJUSTMENT	INTERIM ADJUSTMENT	FINAL ADJUSTMENT
From 10-1-78	Previous Balance or Deposit	178,299.16
To 10-1-79	Total Earned this Period	219,691.00
	Minimum Premium	
	Additional Premium	\$41,391.84
	Remaining Balance	Return Due Assured

Attached to and forming part of No. CFR 0062 COMPANY: INTERNATIONAL INSURANCE CO.

Issued to R/I ATU INS. CO. A/C FOSTER WHEELER CORPORATION

Effective 10-1-78 By

IMPORTANT, THIS PREMIUM IS DEVELOPED BY AUDIT IN ACCORDANCE WITH THE PROVISIONS OF THE POLICY. THE PREMIUM IS FULLY EARNED AND IS PAYABLE IMMEDIATELY.

LWB 17 (3/72)

TIG 001160

**CRUISE & FORSTER  
INSURANCE COMPANIES  
THE POLICY MAKERS**

ENDORSEMENT #1

Additional Premium \$25,779.16

Return Premium

**MAILED**

JUL 21 1979

Effective on and after MAY 1, 19 79, 12:01 A.M. Standard Timethis endorsement forms part of policy No. CFR 0062 Expiration Date OCTOBER 1, 1979Issued to R/I A.I.U. INSURANCE CO. A/C FORSTER WHEELER CORP.By INTERNATIONAL INSURANCE Company

IT IS UNDERSTOOD AND AGREED THE COVERAGE IS AMENDED TO INCLUDE  
FOSTER WHEELER LTD. - ENGLAND AND FOSTER WHEELER POWER PRODUCTS.

ADDITIONAL MINIMUM AND DEPOSIT PREMIUM \$25,779.16 (NET) ADJUSTABLE  
AT 30¢ LAYER (GROSS) RATE PER \$1,000. ON TOTAL BILLINGS.

THE PRIMARY SCHEDULES ARE AS FOLLOWS:

FOSTER WHEELER LTD. ENGLAND

COMPREHENSIVE GENERAL LIABILITY INCLUDING PRODUCTS	£250,000.
AUTO COMMERCIAL VEHICLES PROPERTY DAMAGE	£250,000.
SAFETY BOAT OR SHETLANDS CONTRACT	£250,000.
EMPLOYERS LIABILITY	UNLIMITED

FOSTER WHEELER POWER PRODUCTS

COMPREHENSIVE GENERAL LIABILITY INCLUDING PRODUCTS	£250,000.
AUTO COMMERCIAL VEHICLES PROPERTY DAMAGE	£250,000.
EMPLOYERS LIABILITY	UNLIMITED

EXCLUDING

PART I UNITED KINGDOM AUTOMOBILE LIABILITY OTHER THAN COMMERCIAL  
VEHICLE PROPERTY DAMAGE

All other terms and conditions of this policy remain unchanged.

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 AUTHORIZED REPRESENTATIVE

Binder

L. W. Biegler Inc.

100th Floor - Sears Tower • 233 South Wacker Drive • Chicago, Illinois 60606 • Telex 25-4597 • 312-876-3100

THE INDICATED INSURER(S) CERTIFIES that pending issuance of a policy, the insurer(s) is bound to insure:

CFR 0062

INSURED: **R/I A.I.U. INSURANCE COMPANY**  
**A/C FOSTER WHEELER CORPORATION**  
 LOCATION: **110 SOUTH ORANGE AVENUE**  
**LIVINGSTON, NEW JERSEY 07039**

TYPE OF COVERAGE	AMOUNT	PREMIUM/RATE
UMBRELLA LIABILITY	\$3,000,000. PART OF \$5,000,000. EXCESS OF SCHEDULED PRIMARY POLICIES OR SELF-INSURED RETENTION	\$133,920.00 (NET) MINIMUM & DEPOSIT AFTER 18% CEDING COMMISSION

DEDUCTIBLE:

THIS BINDER IS SUBJECT TO THE FOLLOWING SPECIAL CONDITIONS:

**ALL TERMS AND CONDITIONS AS REQUIRED BY UNDERWRITERS**

NAME(S) OF INSURERS:

**INTERNATIONAL INSURANCE CO.**THE TERM OF THE BOUND POLICY IS FROM: **10/1/78** TO: **10/1/79**THE TERM OF THIS BINDER IS FROM: **10/1/78** TO: **POLICY ISSUANCE**

~~THIS BINDER~~  
 This binder shall continue in force over 60 days from the Effective Date and is subject to all the terms and conditions of the policy regularly issued by the Insurer(s) in this state. This Binder will be terminated and superseded upon delivery of formal policies or certificates issued to replace it.

1. THIS BINDER MAY BE CANCELLED AT ANY TIME BY THE INSURED. THIS BINDER MAY BE CANCELLED AT ANY TIME BY THE INSURER(S) BY GIVING TO THE INSURED FIVE (5) DAYS WRITTEN NOTICE OF CANCELLATION.
2. IN THE EVENT OF CANCELLATION OR EXPIRATION OF THIS BINDER WITHOUT A POLICY BEING ISSUED, THE INSURER SHALL BE ENTITLED TO AN EARNED PREMIUM FOR THE TIME IN FORCE AT SHORT RATE OF THE ANNUAL RATE AS CHARGED BY THE INSURER IF CANCELLED BY THE ASSURED; AND AT PRO RATA OF THE ANNUAL RATE IF CANCELLED BY THE INSURER.
3. IT IS EXPRESSLY UNDERSTOOD AND AGREED BY THE INSURED THAT L. W. BIEGLER INC. IS NOT AN INSURER HEREUNDER AND SHALL NOT BE LIABLE IN ANY WAY OR TO ANY EXTENT WHATSOEVER FOR ANY LOSS OR CLAIM, BUT THAT THE INSURER HEREUNDER IS AS NAMED ABOVE.
4. THIS BINDER IS MADE AND ACCEPTED SUBJECT TO THE FOREGOING STIPULATIONS AND CONDITIONS AND SHALL NOT BE VALID UNLESS COUNTERSIGNED BY THE DULY AUTHORIZED AGENT OF THE INSURER(S).

Issued to: **JOHNSON & HIGGINS OF NEW YORK**  
**95 WALL STREET**

L. W. BIEGLER INC.

Address: **NEW YORK, NEW YORK 10038**  
**ATTN: MR. KENNETH GREINER, VICE PRESIDENT**

Date: **12/20/78 md**

By: \_\_\_\_\_

Authorized Signature



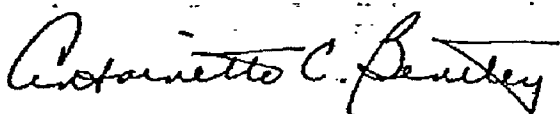
THE COMPANY NAMED ON THE DECLARATIONS PAGE  
NEW YORK, NEW YORK  
(herein called the Reinsurer)

In consideration of the payment of the premium, and subject to the terms, conditions and limits of liability set forth herein, and in the Declarations made a part hereof, the Reinsurer does hereby reinsure the ceding company named in the Declarations (herein called the Company) in respect of the Company's policy as follows:

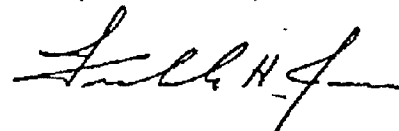
REINSURING AGREEMENTS AND CONDITIONS

- A. The Company warrants to retain for its own account or that of its treaty reinsurer (s) the amount of liability specified in Item 3 of the Declarations, unless otherwise declared to the Reinsurer, and the liability of the Reinsurer specified in Item 4 of said Declarations shall follow that of the Company and except as otherwise specifically provided herein, shall be subject in all respects to all the terms and conditions of the Company's policy except such as may purport to create a direct obligation of the Reinsurer to the original Insured. The Company shall furnish the Reinsurer with a copy of its policy and all endorsements thereto which in any manner affect this certificate, and shall make available for inspection and place at the disposal of the Reinsurer at reasonable times any of its records relating to this reinsurance or claims in connection therewith.
- B. Prompt notice shall be given to the Reinsurer by the Company of any occurrence or accident which appears likely to involve this reinsurance and while the Reinsurer does not undertake to investigate or defend claims or suits it shall nevertheless have the right and be given the opportunity to associate with the Company and its representatives at its own expense in the defense and control of any claim, suit or proceeding involving this reinsurance, with the full cooperation of the Company.
- C. All claims involving this reinsurance, when settled by the Company, shall be binding on the Reinsurer, which shall be bound to pay its proportion of such settlements, and in addition thereto, in the ratio that the Reinsurer's loss payment bears to the Company's gross loss payment, with respect to business accepted on an excess of loss basis and in the ratio that the Reinsurer's limit of liability bears to the Company's gross limit of liability with respect to business accepted on a pro rata basis, its proportion of expenses, other than Company salaries and office expenses, incurred by the Company in the investigation and settlement of claims or suits and, with the prior consent of the Reinsurer to trial court proceedings, its proportion of court costs and interest on any judgment or award.
- D. Payment of its proportion of loss and expense paid by the Company will be made by the Reinsurer to the Company promptly following receipt of proof of loss.
- E. The Reinsurer will be paid or credited by the Company with its proportion of salvage, i.e., reimbursement obtained or recovery made by the Company, less the actual cost (excluding Company salaries and office expenses) of obtaining such reimbursement or making such recovery. If the reinsurance afforded by this Certificate is on the excess of loss basis, salvage shall be applied in the inverse order in which liability attaches.
- F. The Company will be liable for all taxes on premiums ceded to the Reinsurer under this Certificate.
- G. In the event of insolvency of the Company, the terms of this Certificate are amended to conform to the statute of any state of the United States having jurisdiction to the extent that such reinsurance as is afforded hereunder may be credited to the Company as an admitted asset or deduction from liability, it being understood that, subject to such amendment, the Reinsurer may avail itself of any other provision of any such statute applicable.
- H. Cancellation of the policy of the Company shall constitute automatic cancellation of this Certificate and it may also be cancelled on a pro rata basis by either party mailing or delivering to the other written notice stating when, not less than Thirty (30) days thereafter, such cancellation shall be effective.
- I. The terms of this Certificate shall not be waived or changed except by endorsement issued to form a part hereof, executed by a duly authorized representative of the Reinsurer.

In Witness Whereof, the Company has caused this Reinsurance Certificate to be signed by its President and Secretary at New York, New York, but the same shall not be binding upon the Reinsurer unless countersigned by an authorized representative of the Reinsurer.



Secretary



Dr. Steven A. President

TIG 001163

-RENEW/REPLACE CERTIFICATE NO.

CERTIFICATE NUMBER

CERTIFICATE OF FACULTATIVE REINSURANCE  
ISSUED BY.

CFR 0062



- ☐ UNITED STATES FIRE INSURANCE COMPANY  
☐ THE NORTH RIVER INSURANCE COMPANY  
☐ WESTCHESTER FIRE INSURANCE COMPANY  
☒ INTERNATIONAL INSURANCE COMPANY

CRUM & FORSTER INSURANCE COMPANIES  
 NEW YORK, NEW YORK ■ ADMINISTRATIVE OFFICES: MORRISTOWN, N.J.

## REINSURED COMPANY:

## • ACCOUNT

*AIU Insurance Company • Foster Wheeler Corporation*  
*c/o Johnson & Higgins of NY • 110 S. Orange Avenue*  
*95 Wall Street • Livingston, NJ 07039*  
*New York, NY 10038*

EFFECTIVE FROM ☒ 12:01 AM  
☐ NOON

BOTH DAYS AT  
 STANDARD TIME

*October 1, 1978*

TO

*October 1, 1979*

## DETAILS OF REINSURED COMPANY'S POLICY.

POLICY NO.: *75-100 789*PERIOD: *10/1/78 - 79*

ITEM 1 TYPE OF INSURANCE	ITEM 2 POLICY LIMITS & APPLICATION	ITEM 3 COMPANY RETENTION	ITEM 4 REINSURANCE ACCEPTED	ITEM 5 BASIS OF ACCEPTANCE
<i>Umbrella liability</i>	<i>\$20,000,000 S.L. any one occurrence and in the aggregate excess primaries or self insured retention</i>	<i>various</i>	<i>\$3,000,000 part of 5,000,000 any one occurrence and in the aggregate excess of various primaries or SIR</i>	<i>quote share</i>

THE PREMIUM FOR THIS CERTIFICATE SHALL BE

☐ GROSS \$☒ NET \$☐ FIXED CHARGE☒ DEPOSIT PREMIUM

PREMIUM BASE

*ret.*

EXPOSURE

RATE

EST. PREMIUM FOR CERTIFICATE PERIOD.

*receipts**1,000,000.00**\$ .30 (layer)**per \$1000*MINIMUM PREMIUM FOR CERTIFICATE \$ *152,520*MINIMUM PREMIUM FOR REINSURANCE PERIOD \$ *152,520*

CEDING COMMISSION

This insurance is made and accepted subject to all the provisions set forth herein or endorsed hereon or appearing on the reverse side hereof, all of which are incorporated herein, and any provisions appearing in forms attached hereto and made a part hereof which alter the provisions herein shall supersede such provisions as they are inconsistent therewith.

by:

AUTHORIZED SIGNATURE

G1002

STATISTICAL/ACCOUNTING COPY

TIG 001164

**ENDORSEMENT** - #A - 1/19/79 md

**CRUM & FORSTER  
INSURANCE COMPANIES  
THE P LICY MAKERS**

Additional Premium \$18,600.00

Return Premium           

Effective on and after OCTOBER 1, 19 78 , Standard Time

this endorsement forms part of policy No. CFR 0062 Expiration Date 10/1/79  
R/I A.I.U. INSURANCE CO.  
 Issued to A/C FOSTER WHEELER CORP.

By INTERNATIONAL INSURANCE Company

**IN CONSIDERATION OF AN ADDITIONAL PREMIUM OF \$18,600.00, IT IS HEREBY  
UNDERSTOOD AND AGREED THE PREMIUM IS AMENDED TO READ:**

**\$152,520. (NET) MINIMUM AND DEPOSIT  
AFTER 18% CEDING COMMISSION**

All other terms and conditions of this policy remain unchanged.

FM. O.O. 192 6PT (4/73)

Authorized Representative

**TIG 001165**